

Revised due to adoption of amendment on General File.

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2018-19		FY 2019-20	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$0	\$0	\$49,343	(\$346,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$0	\$0	\$49,343	(\$346,000)

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 738, as amended by AM1789, amends Nebraska Revised Statutes Section 77-2716 regarding adjustments to income for Nebraska income tax purposes.

The bill provides for the indexing of the amounts used for the social security adjustments to income at the same rate used for the indexing of individual income tax brackets. The current income threshold is \$58,000 for married filing jointly returns and \$43,000 for all other returns.

The percentage of adjustment to be used is determined pursuant to the provisions of section 1(f) of the Internal Revenue Code of 1986, as amended, except in section 1(f)(3)(B) of the code the year 2013 shall be substituted for the year 1992.

The change proposed by the bill, as amended, is now to become effective for tax years beginning January 1, 2020 and thereafter.

The Department of Revenue originally estimated the following fiscal impact to the General Fund:

FY2018-19:	(\$ 346,000)
FY2019-20:	(\$ 1,325,000)
FY2020-21:	(\$ 2,572,000)
FY2021-22:	(\$ 3,937,000)

The Department indicates a one-time programming charge of \$49,343 paid to the Office of the CIO for mainframe costs.

We have no basis to disagree with the Department of Revenue's original estimate of fiscal impact and cost.

With the adoption of AM1789, we now estimate the following fiscal impact to the General Fund:

FY2018-19:	\$ 0
FY2019-20:	(\$ 346,000)
FY2020-21:	(\$ 1,325,000)
FY2021-22:	(\$ 2,572,000)
FY2022-23:	(\$ 3,937,000)

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 738	AM:	AGENCY/POLT. SUB: Dept. of Revenue	
REVIEWED BY: Lyn Heaton	DATE: 1/23/2018	PHONE: (402) 471-4181	
COMMENTS: No basis upon which to disagree with the Department's analysis.			

